

**TITLE: CIB 98-06 Class Deviation to Implement Revisions in the NAFTA and Trade Agreements Act of 1979 Thresholds**

**February 19,1998**

Effective January 1, 1998, the thresholds for acquisitions subject to the Trade Agreements Act of 1979 and the North American Free Trade Agreement (NAFTA) have been revised, but have not been implemented in the FAR. Until the FAR is changed, Agencies must individually issue class deviations in order to use the new thresholds. Class deviation numbered OP-DEV-98-4c authorizes the following FAR changes:

25.202(d) upper threshold for construction contracts subject to the Trade Agreements Act lowered from \$7,311,000 to \$7,143,000

25.207(d) Upper threshold for construction contracts subject to the Trade Agreements Act lowered from \$7,311,000 to \$7,143,000

25.305(c)(2) upper threshold for construction contracts subject to NAFTA raised from \$6,500,000 to \$6,909,500

25.402(a)(1) upper threshold for construction contracts subject to the Trade Agreements Act lowered from \$7,311,000 to \$7,143,000; upper threshold for supply and service contracts subject to the Trade Agreements Act lowered from \$190,000 to \$186,000

25.408(a)(3) upper threshold for supply and service contracts subject to NAFTA raised from \$50,000 to \$53,150

25.408(a)(4) upper threshold for construction contracts subject to the Trade Agreements Act lowered from \$7,311,000 to \$7,143,000

25.1002(a)(1) trade sanctions threshold lowered from \$190,000 to \$186,000

25.1002(a)(2) trade sanctions threshold lowered from \$7,311,000 to \$7,143,000

These sections are only applicable to Operating Expense (OE) funded procurements.

February 18, 1998

**ACTION MEMORANDUM TO THE PROCUREMENT EXECUTIVE**

**THRU: M/OP/OD, James D. Murphy**

**FROM: M/OP/P, Kathleen J. O'Hara**

**SUBJECT: Class Deviation from FAR 25.202, 25.305, 25.402, 25.408, and 25.1002 OP-DEV-98-4c**

Issue: USAID requires approval of a class deviation from FAR parts 25.202, 25.305, 25.402, 25.408, and 25.1002 to implement a revision to Title III of the Trade Agreements Act of 1979 and Chapter 10 of the North American Free Trade Act (NAFTA.)

Discussion: On December 31, 1997, the Office of the United States Trade Representative (USTR) revised the thresholds for Government acquisitions subject to the Trade Agreements Act of 1979 and the North American Free Trade Agreement (NAFTA). The new thresholds are effective as of January 1, 1998.

25.202(d) change upper threshold for construction contracts from \$7,311,000 to \$7,143,000

25.207(d) change upper threshold for construction contracts from \$7,311,000 to \$7,143,000

25.305(c)(2) change upper threshold for construction contracts from \$6,500,000 to \$6,909,500

25.402(a)(1) change upper threshold for construction contracts from \$7,311,000 to \$7,143,000; change upper threshold for supply and service contracts from \$190,000 to \$186,000

25.408(a)(3) change upper threshold for supply and service contracts from \$50,000 to \$53,150

25.408(a)(4) change upper threshold for construction contracts from \$7,311,000 to \$7,143,000

25.1002(a)(1) change threshold from \$190,000 to \$186,000

25.1002(a)(2) change threshold from \$7,311,000 to \$7,143,000

Until the new thresholds are implemented in the Federal Acquisition Regulation (FAR), Agencies have been instructed by the Civilian Agency Acquisition Council (CAAC) to internally issue class deviations to affected FAR portions, which are parts 25.202, 25.305, 25.402, 25.408, and 25.1002 respectively. No changes to the corresponding part 52 clauses are required.

CAAC letter 98-1, dated January 21, 1998, serves as evidence of consultation with the Chairman of the CAAC, as provided in FAR 1.404(a)(1).

Recommendation: That you approve this class deviation by signing below, and sign the attached CIB to inform contracting staff of the deviation.

APPROVED: /s/

DISAPPROVED: \_\_\_\_\_

DATED: 2/19/98